COMMITTEE ON JORDAN LAKE (LRC)(2013)
February 19, 2014
Room 544

The Committee on Jordan Lake (LRC)(2013) met on Wednesday, February 19, 2014 at 9:00 AM. The meeting was held in Room 544 of the Legislative Office Building. Members present were: Senators Rick Gunn, Chair, Neal Hunt, Floyd McKissick, Trudy Wade; Representatives John Faircloth, Chair, John Hardister, Edward Hanes, Stephen Ross, and Tim Moore.

Representative Faircloth presided.

Approval of Minutes

Senator McKissick moved to adopt the minutes of the January 22, 2014 meeting. The motion carried and the January 22, 2014 minutes were approved.

Jordan Lake Regulatory Requirements Report

Tom Reeder, Director of the Division of Water Resources – Department of Environment and Natural Resources, was recognized. Mr. Reeder shared a Power Point Presentation titled Jordan Lake Rules Update and explained which of the Jordan Lake requirements have been implemented which will be implemented and the costs associated with implementation. Representative Hanes asked if there would be additional cleanup costs if there are no measurable benefits from SolarBee during the three-year period when the rules are not in effect. Mr. Reeder answered that there may be some small incremental loading from new developments in terms of nitrogen and phosphorous. Representative Hanes asked how the rules under the 2007 EPA plan for the lake would impact costs for cities upstream of the lake in terms of paying for retro-fitting waste-water treatment plants. Mr. Reeder said that they would most likely be responsible for paying for some of this process. Then Representative Hanes asked if there would be additional cleanup costs if the implementation of the Jordan Lake rules doesn't resume. Mr. Reeder answered that local governments may have to account for deposits at a future date if they do not account for them voluntarily at the moment. Representative Steve Ross asked for the definition of small incremental loading. Mr. Reeder explained that loading refers to nitrogen and phosphorous going into the water. Small incremental loading simply means small and incremental amounts of these deposits. Representative Ross then referred to the $528 million amount planned to roll-back into local governments to help them meet these requirements and asked if this estimate took into account things like condemned property and also asked how the estimate was created. Mr. Reeder answered that this figure included cost of land purchased, meaning all existing development up to the baseline period for the lake and also all development

after that baseline. Senator McKissick asked about the most cost-effective way of getting the funds in order to meet federal requirements. Mr. Reeder responded that one entity, i.e. the waste-water treatment plants, cannot realistically be responsible for all of the reductions. He then stated that the most cost-effective way to raise funds would be to spread the regulations across communities and include the treatment plants. Senator McKissick then asked to what extent are there other means available that might provide some options to get the lake to the point where it meets requirements. Mr. Reeder answered that they are currently testing mixing devices and other options to treat the lake water directly, but currently the SolarBee system appears to be the most cost-effective option. Senator McKissick asked if members of the committee could be informed about other technologies at a later date. Mr. Reeder responded that he would be willing to schedule a follow up presentation detailing some of these options. Senator McKissick then asked if Mr. Reeder was aware of anything being done to share the cost more between upstream communities, downstream communities, and the city based on who benefits most from the reservoir. Mr. Reeder answered that he was not currently aware of any model for cost distribution based on who gets the most direct benefits of the water. Senator Wade asked Mr. Reeder to give the committee an idea of the total cost to implement the rules for the lake. Mr. Reeder answered that the total cost would be between $900 million and $1.5 billion. Senator Wade then asked what would happen if nutrients levels decrease with testing as a result of SolarBee. Mr. Reeder responded that the best case scenario would be that areas would be allowed, per the Clean Water Act, to shift into maintenance mode if nutrients go down, but this has only in the past occurred as a result of watershed controls, not active technologies. Senator Wade then asked how to more equally spread costs. Mr. Reeder responded that the rules were designed based on the proportion from where the loading was coming. Senator Wade asked if the levels of nutrients drop only a specific area, would that reduce the cost only for that area or across the board. Mr. Reeder responded that a drop in levels in one specific area would result in that specific area shifting into maintenance mode. Senator Hunt referred to the chart on page 11 of the PowerPoint detailing water discharges from various municipalities. Senator Hunt then asked how to effectively incentivize these municipalities to participate in the cleanup process. Mr. Reeder suggested that the General Assembly provide greater access to loans provided by the Clean Water State Revolving Fund in exchange for cooperation. Senator Hunt then asked how effective a 50 foot setback requirement for new developments is in limiting nitrogen and phosphorous deposits. Mr. Reeder responded that the buffer setback is only designed as a maintenance tool to maintain the status quo, not to address point source pollution. He went on to say that where residential areas redevelop for a different purpose, the rules and buffers would need to be redone.

A copy of Mr. Reeder's PowerPoint is attached.

There being no further business, the meeting adjourned at 10:19 AM.

_____

Representative John Faircloth
Presiding

_____

Karen S. Johns, Committee Clerk